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Report of the Voorburg Group on Service Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-second session,** the Secretary-General has the honour to transmit to the Commission the report of the Voorburg Group on Service Statistics. The Commission may wish to review the work programme of the Group.

* E/CN.3/2002/1.
** See *Official Records of the Economic and Social Council, 2001, Supplement No. 4* (E/2001/24), chap. I, sect. A.

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Report of the Voorburg Group on Service Statistics

Purpose

To address issues related to the production of services statistics, including service product outputs and inputs, the estimation of the real product of service activities, price indices of services products and industries and their implications for product and industry classification Central Product Classification (CPC) and International Standard Industrial Classification of All Economic Activities (ISIC)).

Year organized

1987.

Participants

Australian Bureau of Statistics; Statistics Canada; Statistical Office of China, Statistical Office of Hong Kong, China; Statistical Office of Czech Republic; Statistics Denmark; Statistics Finland; Institut national de la statistique et des études économiques (France); Statistisches Bundesamt (Germany); Instituto Nazionale di Statistica (Italy); Japan Statistics Bureau; Bank of Japan; Statistical Office of Korea and Bank of Korea (Republic of Korea); Statistics Netherlands; Statistics New Zealand; Statistics Norway; Statistics Sweden; Office of National Statistics (United Kingdom); Statistical agencies of the United States, United States Bureau of the Census, United States Bureau of Labor Statistics; Statistical Office of the European Communities (Eurostat); International Monetary Fund (IMF); Organisation for Economic Cooperation and Development (OECD), United Nations Statistics Division.

Meetings

The Group meets annually for one week. Previous meetings were held as follows:

Voorburg, the Netherlands, January 1987.
Stockholm, Sweden, November 1987.
Wiesbaden, Germany, 1988.
Ottawa, 1989.
Paris, 1990.
Helsinki, 1991.
Williamsburg, United States of America, 1992.
Oslo, 1993.
Sydney, 1994.
Voorburg, the Netherlands, 1995.
Newport, Wales, 1996.
Copenhagen, 1997.
Rome, 1998.
Christchurch, New Zealand, 1999.
Madrid, 2000.
Örebro, Sweden, 2001.

Topics considered

At its meeting held in Rome in 1998, the Group decided upon a work programme for the period 1999-2001, with the following topics to be the core activity of the Group:

(a) Producer price indices for services;

(b) The classification of service products.

Other topics to be addressed were information society statistics, the measurement of demand for services by enterprises and the measurement of non-market services, with particular reference to the non-profit sector. The 2001 meeting concentrated upon the topics described below.

1. Producer price indices for services

The programme of the prices session was modified in the absence of the statistical offices of the United States of America, the Bank of Japan and Australian Bureau of Statistics due to the terrorist attacks in the United States of America. The new programme included:

(a) Principal papers, including both a methodological section and a section presenting and analysing time series data for price movements. Two papers were presented, on:

(i) Price indices for real estate services. These indices covered real estate agency services (selling, letting and acquisitioning activity) and property rental payments (code ISIC 7010). The questions about this presentation focused on the commission rate;

(ii) Price indices for accounting services. This methodology is an output method. A comparison was presented of the methods used by France, Japan, Australia, New Zealand, the United Kingdom and the United States of America;

(b) Mini presentations presenting ongoing work related to advertising, road freight transport and banking services;

(c) Fitness for use and quality adjustment. The meeting could not discuss papers on quality issues due to the absence of their authors. A paper outlining the process for assessing the fitness of United Kingdom corporate services price indices for use in national accounts and for publication was presented. A formal process of development, review and quality assurance has been developed although the process has not yet been finalized. The Group had asked OECD to update its inquiry on national collection of services producer price indexes (PPIs), and the presentation of the inquiry included 31 countries, showing the activity of 19 countries in that field.

2. Classification of service activities and products

The United Nations representative presented an overview of the 2002 ISIC and CPC revisions and the process being established for the 2007 revisions, with the emerging perceptions of user needs. The steering role of the Expert Group on Social and Economic Classifications and the work of its technical subgroup to formulate specific proposals. In the context of developing an information sector in ISIC for 2007, the Group explored the underlying principles and concepts that had been used in existing definitions of the North American Industry Classification System information sector and the OECD ICT sector and their differences.

The Group has expertise in classifications and statistics on the service sector and information society, which is a particular strength, and the Group has a potentially important part to play in services and information/ICT areas of classification revisions. It could coordinate the validation testing of CPC categories. There is need to work on an international standard classification of demand for services, which differs from activity classifications.

3. Information society statistics

The version presented of the model questionnaire on the usage of ICT and the Internet, with a special focus on electronic commerce in enterprises, is considered to be the final one, though new modules and updating will be necessary in the near future. The model questionnaire may be used when implementing new surveys or when adding new items to already existing surveys. Future steps for developing the model questionnaire will be related to a focus on e-business processes and the impacts of ICT at the enterprise level.

The ICT sector definition was agreed by the OECD Working Party on Indicators for the Information Society in 1998. OECD presented the paper with principles agreed for the basis of the definition and issues raised for reviewing the definition. Participants saw no need to revise the ICT sector definition before seeing the results of the 2002 revision, and proposed further work with the ICT product definition instead.

The discussion on the content sector definition has been ongoing since 1997. From the French conceptual work presented, it emerged that the CPC and ISIC classifications must now clearly mark the limits between ICT and content products, and between ICT and content industries. The content sector should thus be defined as "the group of ISIC industries primarily engaged in the publishing and/or the electronic distribution of content products".

4. Future work programme

The Group has renewed its previous framework, which consisted of:

(a) A three-year programme to enable in-depth work on themes handled with some degree of priority;

(b) A very limited number of core issues;

(c) Ad hoc issues which will not always be dealt with at future meetings.

The core issues will be limited to the following three issues:

(a) Producer price indices for services (focusing on advertising, computer services, engineering services, insurance and banking, and road freight);

(b) Classifications of service activities and products (focusing on the needs of the 2007 revision, especially in relation to the possible development of an information sector);

(c) Information society statistics, enlarged with related areas (knowledge-based economy), especially focusing on measurement of impacts of information and communication technology (ICT) usage and qualifications and skills of employees within the

knowledge-producing service activities. Efforts will also be made to integrate classifications issues on ICT sector activities at the 2002 meeting.

The ad hoc issues will be non-profit institutions, sales by service products and short-term indicators.

The Group emphasizes the importance of international cooperation between national and international institutes in order to avoid duplication of work and to further the development of the definitorial and methodological work needed for the future production of services statistics. As a consequence, the Group has cooperated closely with other international organizations, such as IMF on services producer price indices (PPIs), OECD on information society statistics and other United Nations groups on classification.

Products

Model surveys

In the past, model surveys have been developed for computer services (see *A Model Survey of Computer Services* (United Nations publication, Sales No. E.91.XVII.12)), telecommunications, audio-visual services, marketing research and advertising services, and insurance services.

More recently, model surveys have been developed for employment services (1997), education services (1998) and demand for services (1999), and ICT usage in enterprises (2001). Model surveys will be available on the web site of the Group at http://www4.statcan.ca/english/voorburg/.

Producer price indices for services

The decision was taken at the meeting in Madrid 2000 to develop a model for presenting international practices in different services activities concerning the measurement of PPIs. Principal papers have been completed for accounting services, telecommunication services, legal services, real estate and engineering services; the papers will be available on the web site of the Group.

E-papers

A complete list of and all the papers presented to and discussed at the Group meetings since its inception are available on the Group's web site.

Planned activities

The next meetings will be held in September 2002 in Nantes, France and in 2003 in Japan. The Group will present work on the subjects decided upon at the meeting held in Örebro in 2001. Meetings will be organized in a new way, with two parallel sessions on producer price indices and information society statistics on the first two days. The results from the parallel sessions will be presented and discussed in plenary session. Countries will work together in pairs in agreed areas and work will be undertaken during the year. The Group will expect to arrive at conclusions, with implications for future data collection on services activities and products, services producer prices, and ICT usage and its economic and social impacts.

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